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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 001383

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SUBJECT: SENIOR KURDISH POLITICIANS WARN GOVERNMENT  
FORMATION IS NOT A DONE DEAL

Classified By: Political Counselor Robert S.  
Ford for Reasons 1.4 (B) and (D)

11. (C) Summary: Deputy Prime Minister Rowsh Shaways, Foreign Minister Hoshyar Zebari, and Presidency Council Chief of Staff Kamran Karadaghi told PolOffs on April 26-27 that there was deep concern about the cabinet formation process among senior Kurdish negotiators. Despite President Talabani and Prime Minister-elect Nuri Kamal al-Maliki's predictions that a cabinet will be formed by May 9, Shaways and Zebari indicated that a growing resentment of the Shia Coalition's alleged highhandedness as well as long-standing fissures within the Kurdish Alliance, and a lack of coordination amongst the Sunni Arabs parties, Iraqiyya Party, and the Kurds likely will slow finalizing the cabinet. We don't sense a crisis, but neither are we convinced that the process is going to be quick and straight-forward from here forward. End Summary.

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"We Don't Want Your Crumbs"  
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12. (C) On April 26, senior KDP official and Foreign Minister Hoshyar Zebari told PolOff that he is not optimistic about cabinet negotiations because everyone is after the same ministries. Zebari added that in forming the government the Sunni Arabs and Shia will compete for many strategic ministries and they will offer the Kurds the leftovers. On April 27 he told PolCouns that the Kurds would insist on at least one of the "sovereign" ministries (Interior, Defense, Finance, Oil and Foreign Affairs). (Note: There is much speculation among politicians that the Foreign Ministry will go to the Sunni Arabs and Zebari will be left without a cabinet position. End Note) In a separate conversation on April 26, Zebari's chief of staff and newly-minted Council of Representatives (CoR) member Fawzi Hariri said during a recent meeting between Shia and Kurdish negotiators, the Kurds became so frustrated by the Shia Coalition's insistence on holding all the major ministries that the Kurds threatened to withdraw from government formation negotiations entirely.

13. (C) Deputy Prime Minister Rowsh Shaways confirmed Hariri's story in a late evening meeting with PolOffs on April 26, and added that the confrontation had taken place in his residence (he heads the Kurdish negotiating team). The Shia Coalition, Shaways reported, had calculated the "cost" of each ministry according to their internal

"points system," and announced that they deserved 3 sovereign ministries and 17 economic/service ministries. This struck the Kurdish delegation as greedy and overreaching, noted Shaways. The difficulty is that the Shia Coalition was acting and negotiating as a team, according to Shaways, whereas the Kurds, Tawafuq, and Iraqiyya had not been able to formulate a plan on how to successfully push back on Shia grasping for ministries. If there is any hope for the Kurds to gain more slots, they and the other parties would have to work together to push back on the Shia, he concluded. Zebari on April 27 also suggested a meeting involving the other three big political blocs would be valuable in balancing Shia Coalition demands.

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Splitting the Pie  
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14. (C) As far as the Kurdish "wish list" for cabinet slots, however, Shaways stated that the Kurds would not accept anything less than what they held during the previous administration: Presidency, Deputy Prime Minister, Deputy Speaker, Foreign Minister, Planning Minister, and Communication Minister. In addition, the Kurds are seeking: Electricity, Transportation, Finance, and Oil, among others. Shaways indicated flexibility on the Deputy Prime Minister (DPM) slot, saying the Kurds would accept either DPM-Economy or DPM-Security. This would make it easier for the Kurds to try for both Finance and Planning, he reasoned. When PolOffs noted that the other parties might object to Kurdish control over

BAGHDAD 00001383 002 OF 003

the Oil Ministry in light of the Kirkuk situation, Shaways just smiled and said, "This is how one negotiates." (Comment: The Kurds understand that they will not get the Oil Ministry. However, Shaways seems to think they can use this gambit as a lever to try and get both Finance and Planning. End Comment.)

15. (C) In response to PolOffs' question on whether the Kurds were talking to the Sadrists, given their competition over the service ministries, Shaways said the two sides had not met. However, the Shia Coalition's negotiating team had offered the Kurds Electricity, Shaways claimed, and had also suggested a move to satisfy the Sunni Arabs demands for an "Arab face" to Iraqi diplomacy abroad. In return for the Kurds relinquishing the Foreign Ministry to the Sunni Arabs, the Kurds would take the Interior slot, shifting the Shia with Defense. The Kurds had already decided that they would not accept Interior, Shaways claimed, since the Kurds would only be inheriting a ministry that "had already been thoroughly spoiled by the Shia." The Kurdish solution has been to state that they would only accept Interior if the Kurds were given full control over the security situation; i.e., Interior, Defense, and DPM-Security. Since this would be patently unacceptable to the Shia and Sunni Arabs, the Kurds would be able to decline Interior without appearing too stubborn on retaining the Foreign Ministry.

16. (C) Shaways did indicate Kurdish redlines on some nominees. The first is Ahmad Chalabi; Shaways was very clear that both Talabani and Kurdistan Democratic Party (KDP) leader Masud Barzani were adamantly opposed to Chalabi in any position, under any circumstances. (Zebari told us the same thing on April 27.) As for Defense and Interior, Khalaf al-Ulayan and Bayan Jabr are unacceptable to the

Kurdish Alliance, Shaways said. Presidency Council chief of staff Kamran Karadaghi confirmed this on April 27, stating that Talabani had been prepared to accept Chalabi until his recent actions turned even Talabani against him. Karadaghi also mentioned concern over al-Ulayan's situation, stating that it would be difficult to picture any role for al-Ulayan given his family's alleged ties to terrorists.

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Internal Kurdish Dynamics Problematic  
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17. (C) Shaways reported that most of the senior Kurdish leaders from both parties (PUK and KDP) were gathering in Kurdistan this weekend to hammer out an internal position on ministries and names. Referring to the ongoing difficulties in unifying the two parties and the Kurdistan Regional Governments (KRGs), Shaways noted that in the end there would be a working balance between the two parties in the unified KRG structure. This balance should also be reflected in the Kurdish representation in Baghdad, he maintained. Since Talabani has been elected President for the next four years, he - and by extension the PUK - would have considerable power in the central government. The KDP would require similar representation in Baghdad. (Comment: Shaways, usually a quiet presence in Baghdad, has been more vocal and persistent in the past couple of months on his desire to retain the Deputy Prime Minister position. This comment about balance was meant to remind others that since the PUK controlled the Presidency, it could not also have the DPM slot for Barham Saleh. End Comment.) KDP member Arif Taifour's Deputy Speaker slot is not comparable to Talabani's, and Shaways insisted that the KDP must retain both the Foreign Ministry and the DPM position. Shaways also reported that in his drive to retain his position, Zebari had floated an idea to create a separate Minister of State for Foreign Affairs, to be headed by a Sunni Arab, and whose portfolio would be Arab states or the Middle East region in general. Despite his support for Zebari, Shaways confided that he was against this plan and doubted it would work.

18. (C) Surprisingly, Shaways also indicated that senior Kurdish leaders, such as himself, did not

BAGHDAD 00001383 003 OF 003

fully agree with the decisions of Talabani and Barzani. For example, both Talabani and Barzani supported former TNA Speaker Hajim al-Hasani for Defense. This is not supported by the political cadres of either Kurdish party, maintained Shaways. In his opinion, Hasani tried to be everything to everyone, and could not be trusted to stick to an agenda once he became a minister. In contrast, Shaways noted, even though Sa'adun al-Dulime was viewed as ineffectual, he consistently pursued his counterterrorism agenda regardless of whether it was popular with his political base. Both Shaways and Zebari also mentioned that they did not trust Talabani to maintain Kurdish unity in the face of mounting pressure to relinquish the Foreign Ministry to the Sunni Arabs.

19. (C) Karadaghi also noted some internal divisions amongst the Kurds. During the conversation on April 27, for example, Karadaghi mentioned the PUK-KDP split on Prime Minister-elect al-Maliki: Fuad Masum (a senior PUK leader) praised al-Maliki as a moderate Shia with whom the Kurds could work well. In contrast, Shaways complained to PolOffs that al-

Maliki is "no different from Ibrahim al-Ja'afari - both work unilaterally without consulting anyone."

¶10. (C) Zebari on April 27 indicated that the Kurds would be flexible on having the Foreign Ministry if they got a different "sovereignty" ministry. He doubted that the Shia Coalition or Tawafuq would accept a Kurd at a security ministry or at the Oil Ministry. He opined that the next Prime Minister would want "his own man" at the Finance Ministry, thus leaving the Kurds with the Foreign Ministry.

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Comment  
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¶11. (C) The prolonged struggle over the cabinet in the Spring of 2005 and then the fight over the prime ministership this year suggest caution when it comes to predicting Iraqi politics. The negotiating blocs' failure to recognize their negotiating partners' key concerns or prolonged posturing may slow the cabinet formation. In light of al-Maliki's and Talabani's confident statements that government formation can be finalized by May 9, it is worth noting these ripples of discontent from one of the most powerful blocs in the process. Notably, the rumblings are coming from the Kurds - a group that is relatively more disciplined and has been able to maintain a relatively united front against the Arab blocs over the last three years of political negotiations. An entirely unified Kurdish negotiating stance, however - which the KRG merger was supposed to facilitate - seems to remain out of reach. By requiring their own internal checks and balances system tied into the KRG government, the Kurds are presenting opportunities by which other groups could crack Kurdish unity.

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